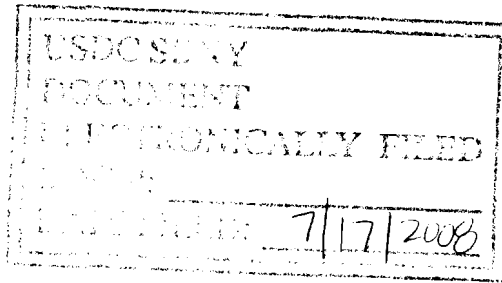


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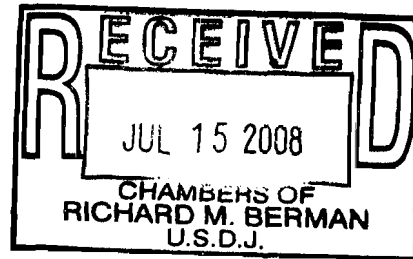
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**MEMO ENDORSED**

*p. 2*

Hand Delivery

The Honorable Richard M. Berman  
United States District Court  
Southern District of New York  
500 Pearl Street, Room 650  
New York, New York 10007-6512



July 15, 2008

Re: *Great American Insurance Co. v. Solomon, et al.*,  
07-cv-6498 (S.D.N.Y.) (RMB)

Dear Judge Berman:

We represent Plaintiff Great American Insurance Co. ("Great American") in the above captioned Interpleader action, and are writing to request a conference to discuss with the Court how to proceed with this case.

Since we were last before Your Honor, the Delaware Chancery Court ruled, after a full trial, that the directors Barrett, Elder, Solomon and Thomas are entitled to advancement of their fees and expenses in connection with their defense of the underlying action, *Kingsway Financial Services, Inc., et al.* ("Kingsway") v. *PriceWaterhouse Cooper, LLP, et al.* 03 Civ. 5560 (the "underlying action"). In its June 20 Opinion, which we have attached, the Delaware Court makes certain factual findings regarding the settlement negotiations in the underlying case which we believe to be relevant to any bad faith claim by Kingsway in the Interpleader action.

This week, former directors Barrett, Elder, Solomon and Thomas and Karla Violetto reached agreement with Kingsway whereby Kingsway's claims against these defendants would be settled without their having to pay any money and without any judgment being entered against them. At the same time, the insurance policy proceeds have continued to erode while insured defendant, John Dore, remains in the case.

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The Honorable Richard M. Berman  
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Great American believes that a conference is necessary to set a deadline for any objections regarding how the remaining insurance policy proceeds are to be distributed and to determine a schedule for proceeding with the Interpleader.

We look forward to hearing from the Court at Your Honor's convenience. Thank you for the Court's consideration of this matter.

Respectfully submitted,

  
Kenneth J. King

KJK

cc: (by E-mail) Sue C. Jacobs, Esq.  
(by E-mail) Lewis J. Liman, Esq.  
(by E-mail) Scott O. Reed, Esq.  
(by E-mail) John Siffert, Esq.

<u>A conference is set for 7/30/08 at</u>	
<u>11:30 a.m.</u>	
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SO ORDERED:	<u>Richard M. Berman</u>
Date: <u>7/17/08</u>	Richard M. Berman, U.S.D.J.